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SUBJECT: ARGENTINA: LEGISLATORS SUPPORT CLOSER
CONGRESSIONAL TIES

REF: AMBASSADOR E. ANTHONY WAYNE FOR REASONS 1.4 (B)
AND (D)

11. (SBU) Summary: Five members of the Argentine Lower House in three meetings with the Ambassador shared their impressions of recent political developments in Argentina and expressed support for greater collaboration with the U.S. Congress. Opposition members of the Argentine Lower House "U.S. Friendship" Caucus described Cabinet Chief Massa's tightly scripted first address to Congress on October 1 as a missed opportunity to promote a more substantive dialogue and so improve the government's image. They also expressed disappointment over the October 16 Chamber of Deputies' vote on the national budget, noting that the Cristina Fernandez de Kirchner (CFK) administration gave the opposition little opportunity to modify objectionable provisions. Caucus chairman and FpV ruling party member Baladron, in contrast, was pleased with the high turnout of deputies for the vote which easily passed the CFK administration's budget. He said greater economic anxiety among the Argentine public was eroding popular support for farmers. He acknowledged that the government needs the farmers' support, but described the sector as closed to dialogue. The Ambassador also met September 10 with national deputy Paula Bertol (PRO), who outlined her priorities as chairwoman of the Special committee on Parliamentary Modernization, stressing her commitment to transparency and incorporating the best practices of other parliaments. The "U.S. Friendship" Caucus members expressed interest in enhancing the bilateral dialogue on renewable energy, democratic governance issues, and national budget development and implementation provide a useful agenda for our continued outreach to this under-performing Argentine branch. End Summary.

12. (SBU) Ambassador Wayne met with members of the Lower House Caucus for Friendship with the United States, including national deputies Federico Pinedo (PRO), Patricia Bullrich (Civic Coalition), and Luis Alberto Galvalisi (PRO) on October 15 and committee president Manuel Baladron (FpV) on October 16. The Ambassador met with national deputy Paula Bertol (PRO) on September 10. Polcouns and poloff (notetaker) attended as well.

The 2009 National Budget

13. (SBU) Deputies Federico Pinedo, Patricia Bullrich and Luis Alberto Galvalisi shared their impressions of the October 16 vote on the national budget. Deputy Pinedo described the vote as "superfluous" because the executive branch determines its budget and the legislature has limited authority to modify it or oversee spending. He claimed that in the previous year, the presidency had issued 80 executive orders to transfer between accounts over 30% of the budget. The Kirchners, he said, had also routinely sent forth budgets

that intentionally under-estimated revenues, since actual revenues in excess of budget estimates could be spent at the discretion of the executive without minimal Congress oversight. (Note: After more than 12 hours of debate, the budget was approved 149 in favor to 87 against. 236 out of 256 deputies cast their vote following a ten-hour general debate. The budget went to the Senate for debate on October 21 and the full Senate is expected to vote on the bill on/about November 12.)

Cabinet Chief's First Congressional Report

¶4. (SBU) Regarding Cabinet Chief Sergio Massa's first tightly scripted report before Congress on October 1, Deputy Pinedo said his address "did not change anything" and "was not useful." According to Deputy Galvalisi, Massa missed an opportunity to improve the administration's image by being forthcoming with congress and appears to have lost sight of his cabinet chief coordination responsibilities. He noted that although Massa discussed narcotrafficking and inflation, he did not address other central issues, such as the country's growing debt and its financing needs. Bullrich added that, because deputies were allowed only three minutes per question, they had to prepare concise questions and were hoping for concrete responses from Massa. The Ambassador remarked that in the U.S. system, officials prepare extensively prior to testifying before congress yet in Argentina only the cabinet chief is summoned. Bullrich relayed that in the past, ministers appeared more regularly before congress, recalling her specific experience as a minister testifying on an Aerolineas Argentina issue.

Bullrich noted that she had had ten advisers to assist her in providing detailed responses.

Working with the U.S. Congress

¶5. (SBU) The Ambassador said he hoped to work with the Committee to identify potential areas for collaboration with the new U.S. administration, underscoring that U.S. Congressional interest in Latin America would continue. As examples of bipartisan issues that would remain of interest, Polcouns cited the agreements on energy, nanotechnology, educational exchanges, and the MOU on national parks signed during A/S Shannon's bilateral consultation visit to Argentina in July. Polcouns relayed that a new round of consultations is scheduled for November 12 in Washington and noted interest in an agreement on cancer research. The Ambassador said dialogue on agricultural issues is another possibility and that the Department welcomes their ideas. Deputy Pinedo suggested cooperation on renewable energy, pointing out the ongoing close U.S. cooperation with Brazil in this area. The Ambassador relayed that the Embassy has worked to raise U.S. and Argentine interest in collaborating in this key area and convened a bilateral USG/GOA alternative energy working group in September. Deputy Patricia Bullrich raised the possibility of a seminar on democratic governance, which would compare and contrast the experiences and institutions of Argentina and the United States. Pinedo added that learning more about the role of the Congressional Budget Office and the Office of Management and Budget in analyzing the national budget and other legislative initiatives with budgetary implications would be very useful.

Caucus Chairman on the Budget and Revenue-Sharing

¶6. (SBU) In a separate meeting, caucus chairman and FpV ruling party member Baladron, who met with the Ambassador following the Chamber of Deputies' approval of the budget, said he was pleased with the high turnout of deputies for the vote. He thought congressional extension of "superpowers"

delegating to the executive branch greater discretionary authority on the budget was even more justifiable this year than in previous years due to rapidly deteriorating external factors. He claimed the budget was truly "federal," and it took into account the needs of smaller provinces.

17. (SBU) The Ambassador noted the widely-reported complaints of some provincial governments about their share of federal revenues or delays in collecting from the GOA the funds due to their provinces. Baladron said that Nestor Kirchner and Carlos Menem, as former governors of lesser provinces, well understood the plight of small provinces and had undertaken during their administrations to meet their needs. Baladron recalled his own experience as vice-governor of sparsely populated La Pampa and mayor of Santa Rosa. He was unstinting in his praise of the Rodriguez-Saa brothers as governors of neighboring San Luis province, crediting their hands-on management for the remarkable progress made over the last 25 years in what had previously been a backward province. Baladron noted that the quality of provincial government made a substantial difference in the execution of federal programs. He claimed that housing built under the National Housing Fund (FONAVI) in then-Governor Kirchner's Santa Cruz, Governor Rodriguez-Saa's San Luis, or Governor Marin's La Pampa was far superior to shoddy FONAVI-funded housing built elsewhere.

On the Farm Conflict

18. (SBU) Baladron said he perceives greater uncertainty and tension among the Argentine public due to worries about global economic conditions, and he thought this was why the public had not rallied behind farmers when they attempted October 3-8 to resume their strike actions, and the protest failed. He relayed that he told one of his farm sector friends from La Pampa province that it was not the right moment for a strike and that the government needed the farmers' support. Baladron explained that being from La Pampa, he understands the farm sector, which he describes as "individualistic" and therefore disinclined to organize or negotiate. The Ambassador said he was struck by polls indicating the agricultural sector was the most popular and respected in Argentina. He observed that there is an impression that the GOA unilaterally increased the

agricultural export taxes without seeking any consultations beforehand. Baladron remarked that although he thinks the GOA has handled the farm conflict well, it has learned some lessons in the process, such as the need to adopt a less confrontational approach. "All governments have their ups and downs, but you can't pick a fight with everyone at once and expect to win," he said. He called the Argentine public "demanding" and requiring the State's constant attention, and added that the government cannot be "everything for everyone." He observed that the federal government needed to delegate greater authority and responsibility to the provinces and cities.

Identifying a Bilateral Agenda

19. (SBU) Deputy Baladron said he planned to convene a caucus meeting in the near future to identify such an agenda. He opined that "friendship caucuses" have gained a reputation for tourism rather than work purposes. Polcouns noted our strong support for congressional visits as an opportunity to deepen officials' understanding of Argentina. The Ambassador noted that House Agriculture Committee Chairman Peterson is highly interested in Argentina and has visited twice during the Ambassador's tenure. The Ambassador recalled that during Peterson's recent trip in September, his delegation visited Rosario in Santa Fe province and Rio Cuarto in Cordoba province.

¶10. (SBU) The Ambassador met September 10 with national deputy Paula Bertol (PRO) and her advisor Alejandra Svetaz. She outlined her priorities as chairwoman of the Special committee on Parliamentary Modernization, stressing her commitment to transparency and incorporating the best practices of other parliaments. The Ambassador noted Embassy financial support for an award by the Legislative Directory Foundation to recognize the best proposal submitted by a senator or deputy to improve the functioning of the national congress. The prize was to include a one-week trip to Washington to visit public institutions, particularly the U.S. Congress. Bertol expressed great interest and appreciation for the award's potential in advancing the cause of modernizing the congress, and in a subsequent meeting she told polcouns she had submitted a proposal to the foundation.

¶11. (SBU) Bertol asked the Ambassador about the implications for U.S.-Argentine relations of the Miami trial of Venezuelan citizen Franklin Duran on charges of acting in the U.S. as an unregistered agent of the BRV. (A central figure in the case was Alejandro Antonini-Wilson, whose extradition the GOA had requested in connection with the attempted smuggling into Argentina in August 2007 of \$800,000 from Venezuela.) The Ambassador noted the independence of U.S. prosecutors and the judicial system, that the case concerned the alleged violation of U.S. law by Duran and others, that GOA officials were not a target of the investigation, and that the case should not be allowed to harm bilateral relations, which were positive.

¶12. (SBU) Bertol said she hoped to visit the U.S. to observe the November elections. She said she had received an invitation from the Center for Strategic International Studies (CSIS) and the University Foundation of the River Plate (FURP) to join a study group visiting Washington November 3-6. She asked if the Embassy could convey to the congressional leadership its support for the CSIS-FURP program, and the Ambassador undertook to write the president of each chamber.

¶13. (SBU) Comment: As noted in these meetings with various members of the "U.S. Friendship Caucus" in the Chamber, the caucus is a potential ally for strengthening bilateral relations. We will seek to follow up on their interest in renewable energy, democratic governance, and budget processes.

WAYNE